

July 2012

# Highlights

Internal Audit Report to the  
Board of Supervisors

## Why We Did This Review

The largest annual expenditure of the Maricopa County Sheriff's Office (MCSO) is payroll (\$220 million).

MCSO processes payroll for 3,550 employees through a two-week, continuous (24/7) timekeeping and payroll process.

A new countywide payroll system was implemented in FY2011 that significantly changed MCSO's payroll processing procedures.

## What We Recommend

We recommend MCSO management:

- Strengthen internal controls over personnel transfers, including the use of required forms to document and approve employee transfers.
- Develop and implement a requirement for direct supervisor approval of reported time.
- Align MCSO policies with County policies, and develop procedures to ensure consistency.



For more information, please contact  
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# Sheriff's Office Payroll

Payroll Is Mostly Accurate

Controls Can Be Strengthened

## What We Found

Internal controls over payroll processing and personnel transfers need improvement. Our findings are summarized in the following table.

MCSO Payroll Audit Results Summary	
<b>Funding Accuracy &amp; Personnel Transfer Procedures</b>	MCSO needs to strengthen its personnel transfer procedures to ensure compliance with state law.
<b>Time Reporting Approvals</b>	We reviewed 18,000 ADP timesheet approvals and found supervisors did not approve 13%. MCSO has not implemented effective procedures to ensure that direct supervisors approve time reporting. These approvals are a key control.
<b>Payroll Accuracy</b>	We reviewed 8,000 FY 2012 payroll transactions and found that 99.9% were accurately calculated and paid in accordance with County policies. Exceptions are mostly related to shift differential payments.
<b>Payroll Policies</b>	MCSO compensation policies conform to federal and state laws. However, there are inconsistencies between MCSO policies and County policies, particularly relating to the new payroll system.

We conducted this review in accordance with the FY 2012 Board of Supervisors approved audit plan.

We appreciate the excellent cooperation received from MCSO management and staff while conducting this audit.

**"Do the Right Things Right!"**

**Maricopa County Internal Audit Department**